



# SUMMARY MINUTES

**ABAG POWER Executive Committee**

**Regular Meeting 2018-05**

**December 12, 2018**

Conference Room 7102 – Tamalpais  
375 Beale Street, San Francisco, CA 94105

## WELCOME AND INTRODUCTIONS

Chair Dave Brees opened the meeting with introductions at 11:00 A.M.

| <b><u>Present Committee Representatives</u></b> | <b><u>Jurisdiction/Agency</u></b> |
|---|-----------------------------------|
| Angela Walton (Vice Chair)                      | City of Richmond                  |
| Chris Schroeder                                 | City of Milpitas                  |
| Dave Brees (Chair)                              | City of Los Altos                 |
| Doug Williams                                   | City of Santa Rosa                |

| <b><u>Absent Committee Representatives</u></b> |                   |
|--|-------------------|
| Dan Schoenholz                                 | City of Fremont   |
| Misty Mersich                                  | City of Cupertino |

| <b><u>Staff Present</u></b> |  |
|-----------------------------|--|
| Cindy Chen                  | Metropolitan Transportation Commission (MTC) |
| Jenny Berg                  | MTC  |
| Jerry Lahr                  | MTC  |
| Matthew Lavrinets           | MTC  |
| Ryan Jacoby                 | MTC  |

## PUBLIC COMMENTS & ANNOUNCEMENTS

There were no public comments.

Brees acknowledged and welcomed Doug Williams, Facilities Maintenance and Operations Coordinator with the City of Santa Rosa, to the meeting.

Cindy Chen was introduced as the Energy Programs Coordinator, and the group shared in thanking Jerry Lahr for his outstanding service to the Association of Bay Area Governments/MTC Energy Programs, and congratulating him on his retirement, effective December 28, 2018.

## APPROVAL OF SUMMARY MINUTES OF AUGUST 15, 2018 EXECUTIVE COMMITTEE MEETING

Motion was made by Schroeder/S/Walton/C/3:0:0 to approve as proposed the Summary Minutes of the August 15, 2018 Executive Committee meeting.

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The aye votes were: Brees, Schroeder, Walton.

The nay votes were: None.

Abstentions were: None.

Absentees were: Mersich, Schoenholz.

### **ENERGY PROGRAM MANAGER'S REPORT**

Lahr noted communications with several members regarding potential additions to the Executive Committee.

He provided several recent news articles describing fluctuations in natural gas prices, driven by a combination of continued cold weather patterns and predictions, low storage inventories, and pipeline maintenance projects.

Lastly, he provided an updated timeline for Pacific Gas and Electric Company's (PG&E) 2019 Gas Transmission & Storage Rate Case.

### **APPOINTMENT OF NEW EXECUTIVE COMMITTEE MEMBER**

Brees appointed Williams to the ABAG POWER Executive Committee in accordance with Section 7.1.4 (Vacancies) of the ABAG POWER Bylaws. Following the appointment, staff provided an updated contact list of key personnel and committee members.

### **REPORT ON NATURAL GAS PROGRAM**

#### **Monthly Summary of Operations FY 2018-19**

Jacoby provided members with the Monthly Summary of Operations reports for FY 2018-19; members were updated on the percentage savings comparisons with PG&E, noting that financial statements through October, 2018 indicated a cumulative savings figure of -13.7%.

#### **Gas Hedge Chart**

Jacoby provided information on the various current long-term gas purchases (contracts which are greater than one month in length).

#### **Market Price Chart**

Jacoby provided information on current and historical gas prices, noting a significant rise in prices beginning in October.

#### **Budget-to-Actual Comparison**

Jacoby reviewed the current year budget, gas program usage, and the weighted average cost of gas to-date. He recommended continued assessment of market prices during the December/January

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timeframe, noting that changes may need to be made to the budget to account for a significant difference in budgeted versus actual commodity cost.

### **FISCAL YEAR 2017-18 GAS PROGRAM TRUE-UP**

Lahr reviewed the FY 2017-18 true-up calculation, resulting in \$0.67M returned to members, amortized monthly throughout the remainder of FY 2018-19.

### **CANADIAN GAS PURCHASE AND TRANSPORTATION AGREEMENTS**

Jacoby presented an overview of progress to-date to enable the purchase and transport gas from receipt points within Canada. He described the Alberta Energy Regulator's (AER) authority to regulate gas removal, and relayed the need to register with the Alberta Corporate Registry as a requirement to submit an application to AER for short-term gas removal.

Additionally, he stated ABAG POWER's requirements with the Canada Revenue Agency to provide security in the form of a deposit, and the option to maintain books in Canada or request permission to maintain such books and records outside of Canada, provided specific requirements are met.

Motion was made by Schroeder/S/Williams/C/4:0:0 to approve as proposed the staff recommendation to authorize the President of ABAG POWER, or his designee, to:

1. Fulfill the Canada Revenue Agency's Non-Resident Requirements related to security and recordkeeping, with an anticipated immediate fiscal impact of approximately \$5,000 CAD, and
2. Fulfill the registration requirements of the Alberta Corporate Registry, including the appointment of an Attorney for Service, with an immediate and ongoing annual anticipate fiscal impact of \$1,000 CAD per calendar year

The aye votes were: Brees, Schroeder, Walton, Williams.

The nay votes were: None.

Abstentions were: None.

Absentees were: Mersich, Schoenholz.

### **NATURAL GAS SCHEDULING SERVICES**

Jacoby reviewed the selection process for ABAG POWER's current natural gas scheduler, and provided recommendations to modify the compensation structure and performance obligations of the existing contract to align with scheduling natural gas from locations external to California.

Motion was made by Schroeder/S/Walton/C/4:0:0 to modify and approve the staff recommendation to authorize the President of ABAG POWER, or his designee, to negotiate and enter into a contract amendment with DMJ Gas Marketing Consultants for natural gas scheduled and related services in an amount not to exceed \$1,250 for a total contracted amount of \$18,050 for Fiscal Year 2018-19.

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Through the same motion, the Committee also authorized a corresponding increase of \$1,250 to ABAG POWER's Fiscal Year 2018-19 Operating Budget. Staff noted a correction to the recommended action and revised operating budget attachments, which listed a \$1,500 increase.

The aye votes were: Brees, Schroeder, Walton, Williams.

The nay votes were: None.

Abstentions were: None.

Absentees were: Mersich, Schoenholz.

### **CALENDAR YEAR 2019 EXECUTIVE COMMITTEE MEETING SCHEDULE**

Motion was made by Schroeder/S/Walton/C/4:0:0 to approve as proposed the Calendar Year 2019 ABAG POWER Meeting Schedule:

February 20, 2019  
April 17, 2019  
June 19, 2019  
August 21, 2019  
October 30, 2019 (Board of Directors meeting)  
December 11, 2019

The aye votes were: Brees, Schroeder, Walton, Williams.

The nay votes were: None.

Abstentions were: None.

Absentees were: Mersich, Schoenholz.

### **ADJOURNMENT**

Chair Dave Brees adjourned the meeting at 12:30 PM.

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\*Example of a motion – *[Member No. 1/S/Member No. 2/roll call vote/C/8:0:0]* means Member No.1 motions, seconded by Member No.2, after roll call vote, motion carries, 8 = "yes" votes, 0 = "no" votes and 0 = abstention.